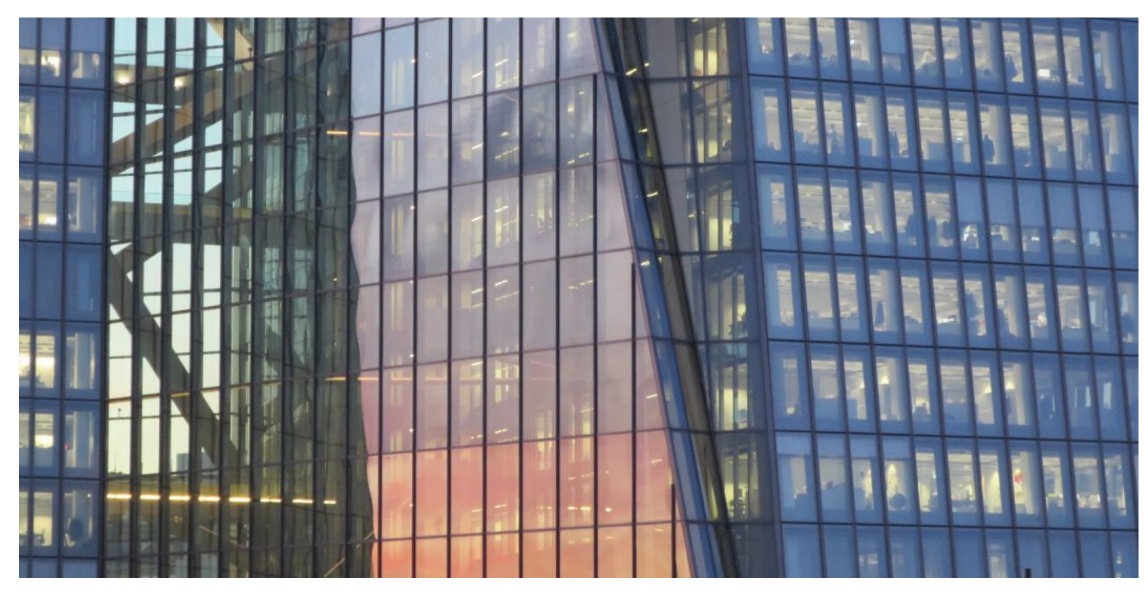






ALAN FREEMAN 2018-02-09

# SELF-IMPOSED DIVISION, OVERLOOKED CONTINUITY: MARX, KEYNES AND THE RATE OF PROFIT

ECONOFICTION CAPITAL, FALL OF PROFITRATE, KEYNES, MARXISM, NON-ECONOMY, PROFITRATE

Abstract

This paper was presented to the World Keynes Conference in Denizli, Turkey. Its purpose is to analyse the conditions for a stable exit from Long Depressions, in line with the programme of research outlined in my chapter for the forthcoming book, edited by Turan Subasat and John Weeks, and entitled The Great Global Meltdown of 2008: Systemic, Conjunctural or Policy-created?

It approaches this through a theoretical discussion of a neglected topic in political economy: the relation between the theories of the rate of profit developed by Karl Marx and John Maynard Keynes. I explored these to some extent in a contribution to the CJE special edition on Whig Interpretations of history, dealing with Schumpeter's relation to both Marx and Keynes (http://cje.oxfordjournals.org/content/38/3/663), and in a further piece on Schumpeter and Marx presented to the Congress of the Humanities in Ottawa, 2015 (https://www.academia.edu/136560/Going_for_the_Juglar_Keynes_Schumpeter_and_the_Theoretical_Crisis_of_Economics).

In these pieces I argued that the theoretical line dividing Marx from Schumpeter is far sharper than is generally accepted, because they stand on opposite sides of a critical debate of the 1930s which is once again highly relevant, namely can capitalism 'endogenously' restore itself from a deep long recession?

I also argued, but did not develop the case, that Marx and Keynes to the contrary stood far closer to each other theoretically than is generally acknowledge, in relation to a second aspect of this debate: does capitalism endogenously create these crises? In this paper, I explore the relation between the thinking of Keynes and Marx on this issue.

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